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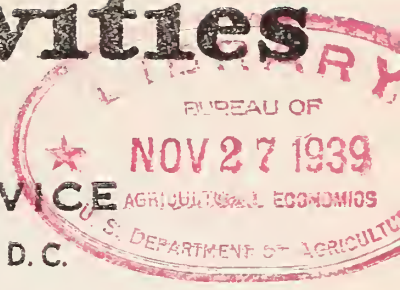
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Marketing Activities

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HOW TO BUY A TURKEY

By Rob R. Slocum

Millions of American housewives will walk into the markets during the Holiday Season to look for a turkey. Many of these purchasers will be interested primarily in the size of the bird; they will buy according to the number to be served, or according to the capacity of roaster or oven. But discriminating purchasers will also be on the lookout for certain quality factors which, regardless of size, make for better eating, more attractive appearance, and easier preparation.

What are these quality factors which make one turkey more desirable than another? First of all, the purchaser must be sure to pick out a fat well-fleshed bird. Compared with a poorly-fed turkey, the meat is juicier and tastier. And equally important, the percentage of edible weight is considerably higher.

A successful turkey dinner depends, in no small part, upon the attractive appearance of the turkey. Any major deformity, such as a hunched back or a crooked breast bone, is unsightly. Torn, scuffed skin and bruises tend to darken during the roasting process, detracting from a nice appearance.

And turkeys are easier to prepare if they are well dressed. Any considerable number of pin feathers on the carcass is objectionable since a great deal of scraping is required to remove them. This scraping process often results in frayed, unsightly skin.

These three quality factors, eating quality, appearance, and ease of preparation, are the basis for the four United States turkey grades set up by the Agricultural Marketing Service. The turkey crop this year is the largest of record. The number of pounds graded is also expected to be a record -- between 35 and 40 million pounds. The U. S. grade tag attached to the carcass is a splendid quality guide to experienced and inexperienced buyers alike, for graded turkeys must meet certain quality specifications within rather narrow limits. The requirements of each grade are simple and can easily be learned by the prospective turkey buyer.

The U. S. Special grade calls for fully fleshed, fully fattened turkeys with no imperfections and with almost perfect dressing. A fully fleshed turkey, however, is difficult to obtain. Aside from the newer type birds, specially bred for width of breast, only a few turkeys meet the requirements of this grade. Some experimental work in developing

such turkeys was undertaken last year in the State of Washington, but they are not on the markets yet in significant numbers.

The U. S. Prime grade represents the highest grade of turkeys that are commonly available. This grade will be on the market in large numbers this year. Turkeys that are well-fleshed, well-fatted, with no major defects and only a few minor defects, meet the requirements of this grade. By major defects is meant torn skin, hunched backs, crooked breasts, and severe bruises on the carcass. Turkeys of the U. S. Prime grade must be well bled and well dressed.

The U. S. Choice grade represents turkeys that have fairly well-fleshed and fairly well-fatted carcasses. They may have minor deformities, abrasions, and small bruises, and may have a few scattered pin feathers over the entire carcass. Turkeys meeting this grade are quite satisfactory.

The U. S. Commercial grade is the lowest, from a quality standpoint. Birds in this grade may have severe deformities, such as crooked breasts or hunched backs. They may be poorly fleshed and poorly fatted. They may contain numerous pin feathers, and abrasions and torn skin are permitted.

Turkeys of each of the four grades must be clean. There must be no blood or dirt on any part of the carcass. Any condition that would render birds unwholesome or unfit causes them to be thrown out of even the lowest grade.

Eating quality, appearance, and ease of preparation -- these are the quality factors to look for in buying your Holiday Season turkeys!

(EDITOR'S NOTE: Mr. Slocum is senior marketing specialist for the Agricultural Marketing Service)

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CATTLE FEEDING ESTIMATE INCREASED FROM MONTH AGO

Developments in the cattle feeding situation during October indicate that the increase in cattle feeding during the winter and spring of 1939-40 will be larger than seemed probable a month ago. The increase in the Corn Belt States, according to the Agricultural Marketing Service, will probably be larger than was earlier indicated, and the decrease in the Western States will be smaller.

The movement of stocker and feeder cattle into the 11 Corn Belt States continued relatively large during October. The movement for the 4 months, July to October, was larger than last year in all of the Corn Belt States, and for the eastern Corn Belt as a whole, was the largest of record. On the other hand, reports on the cattle feeding situation from the Western States early in November indicated that the total fed in that area during the 1939-40 feeding season would be somewhat smaller than in the preceding season.

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THE COMMON CARRIERS COOPERATE WITH
THE AGRICULTURAL MARKETING SERVICE

. . . By Jas. G. Cross

In one room of the Department of Agriculture, at Washington, D. C., the lights burn nearly all night long. During the early morning hours, long after most of the city is asleep, a telegraph operator is busily receiving reports from the railroad, express and boat lines, covering the shipments of fresh fruits and vegetables. This information, collected by the Agricultural Marketing Service from all parts of the country during the night, is summarized and disseminated at 8:30 in the morning over 7,500 miles of leased telegraph lines, over the radio, through printed reports, and by the daily press.

This work had its beginning back in 1913, when a plan was devised to investigate, in cooperation with the common carriers, a means of outlining reports of the movement of fresh fruits and vegetables from producing sections to consuming centers. The reports actually got under way in 1914, but they were not published on the present basis until 1918, under the impetus of the war emergency.

For more than 20 years, the railroads, express companies, and boat lines have cooperated with the Department of Agriculture in furnishing the fresh fruit and vegetable industry with vital information pertaining to actual movement. The reports of the carriers are submitted voluntarily, and in a spirit of public service, for no Federal legislation compels them to furnish information of this kind.

The daily wire reports are the backbone of the carlot and boat shipment reports. The essential information takes into consideration only three factors: (1) name of kind of fruit or vegetable; (2) name of State or country of origin; and (3) number of cars. A railroad, for example, in submitting a daily wire report, may employ the following form:

MARKETS AGRICULTURE
WASHINGTON D C

ONIONS NEW YORK SIX OHIO FOUR
CANNERS GRAPES NEW YORK FIVE
TOMATOES NEW JERSEY TWO
IMPORTS POTATOES WHITE OR IRISH CANADA TEN

5516
(Code signature number)

Although only three separate items of information are furnished by the daily reports, the grower or distributor, through a succession of such reports, can determine approximately when the movement of a particular crop begins in each State; when the movement ends; the peak, or heaviest movement; the movement from competing areas; and the volume of movement for any State or for the United States.

Each Tuesday a weekly summary of rail and boat shipment information is published by the Agricultural Marketing Service. The report shows the shipment of fresh fruits and vegetables by State of origin for the current

week, the preceding week, the comparable week the preceding year, total shipments to date, total shipments to the same date the preceding year, and total shipments for the preceding year.

Information Has Wide Use

The railroads also furnish the market news reporters at the principal cities with information covering the number of car arrivals, the cars on track, and the unloads. This information is extremely important. A Virginia grower, for example, may contemplate shipping two cars of potatoes to New York City. But before he ships, he likes to know how many potatoes are already on hand at that market. If the New York market appears to be glutted it may be more profitable for him to ship to Philadelphia or Boston. The information furnished the market news reporters by the carriers is promptly and widely disseminated by the Agricultural Marketing Service.

A mail service is conducted whereby the Agricultural Marketing Service receives direct from local station agents monthly mail reports of the forwarding of 47 commodities, including those reported by wire, which makes it possible to map the entire country so as to show exact points of origin of the more important classes of fruits and vegetables, accurate quantities shipped of each class for each shipping point in every producing area, and statistical information which is invaluable in the distribution of farm products. These data are the basis for the State, County, and Billing Station Report -- one of the most important sources of statistical information used by the fruit and vegetable industry.

All of the "carlot shipment" reports include quantities of fresh fruits and vegetables carried by rail or boat in intra- and inter-state commerce. For example, potatoes shipped by boat from Searsport, Maine, to Baltimore, Maryland, would be shown on the daily or weekly report as "carlot shipments"; that is, the total number of sacks is converted to the carlot equivalent on a uniform basis. Actually, these boat shipments represent quantities that are hauled to the docks in trucks, for any rail movement to the docks is reported by the railroads.

In addition to the reports on fresh fruits and vegetables, the transportation lines report to the livestock market news offices of the Agricultural Marketing Service the carlot shipments of livestock received at Chicago, Kansas City, Omaha, St. Paul, East St. Louis, and Fort Worth. This information is the basis for an early morning livestock market report showing receipts of cattle, hogs, sheep, and mixed livestock. The report is further broken down to show receipts of salable livestock and total stockyards unloads.

Various efforts are being made to get similar information on movement by truck. But truck information is difficult to obtain. Hundreds of companies operate only a few trucks. Many truckers engage only in intra-state commerce, and then only for short hauls. A large number operate for only a few months of the year. The Agricultural Marketing Service does collect from the trucking companies the quantity of fresh fruits and vegetables unloaded at 12 important markets. These figures

cover practically all of the receipts by truck at both the wholesale and the farmers' markets in each city. It is impossible, however, to obtain either actual or estimated figures of stocks hauled direct to consumers or retail stores. The gathering of more complete statistics on truck shipments is a big problem that remains to be solved, but progress is being made.

Reports Filed on Big List of Commodities

The common carriers report on various miscellaneous commodities. The receipts of butter, eggs, cheese, and dressed poultry at Boston, New York, Philadelphia, Chicago, Los Angeles and San Francisco; the receipts of milk and cream in the New York metropolitan area, Boston and Philadelphia; shipments of Texas broom corn; live poultry receipts in Chicago; "passings" of California eggs to eastern markets; and "passings" of Texas and Oklahoma turkeys at Kansas City, St. Louis, and Chicago. All of this information is the basis for reports of the Agricultural Marketing Service.

The carriers are frequently called upon to furnish special types of information not included in the regular reports. Perhaps it may be a request for statistics dealing with the quantity of a commodity shipped only in interstate commerce. Or it may be diversion or passing-point information that is needed. Prompt cooperation in complying with these special requests has been an invaluable factor in formulating individual and public marketing plans and programs.

(EDITOR'S NOTE: Mr. Cross is specialist in transportation with the Agricultural Marketing Service. For more than 22 years he has been identified with the work of collecting transportation statistics for the Department of Agriculture.)

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NUMBER OF LAMBS ON FEED LARGER THAN LAST SEASON

The number of lambs fed during the 1939-40 feeding season will be larger than in the 1938-39 season, but the number in feedlots on January 1, 1940, may be no larger than on January 1, 1939, according to the Agricultural Marketing Service. Though total shipments of feeder lambs into the Corn Belt States will be larger this season than last, the increase came early in the season--July, August, and the first half of September. The in-shipments during the balance of the year, October through December, will be much smaller than a year ago. If the marketing of fed lambs in November and December reflects the early in-movement of feeders, the number remaining in feedlots at the end of the year may be little larger than a year earlier. The number on feed in the Western States on January 1, 1940, will be smaller than a year earlier.

AGRICULTURAL MARKETING SERVICE
CONSOLIDATES GRAIN, SEED WORK

The work formerly carried on by the Hay, Feed and Seed Division and by the enforcement of the Federal Seed Act has now been combined with the Grain Division. The reorganization was effective November 1.

The consolidation of the three divisions, according to C. W. Kitchen, Chief of the Agricultural Marketing Service, will provide a more effective organization, both in Washington and in the field, for conducting the research, service and regulatory activities associated with the marketing of grains, hay, and seeds. The several projects now under way, he pointed out, will not be interrupted by this reorganization.

The new Grain and Seed Division will be charged with the administration of the Grain Standards Act, the new Federal Seed Act, and the attendant laboratories and research projects for each. Other activities include standardization and inspection work on grains, hay, rice, soybeans, dry edible beans, and field peas; seed verification and dockage inspection services; and the Nation-wide dissemination of market news pertaining to grains, hay, and feed stuffs. Market news field offices are maintained at Minneapolis, Chicago, Kansas City, Atlanta, Portland (Oreg.), San Francisco, and Los Angeles.

The new division will be in charge of E. J. Murphy, whose appointment as head of the Grain Division was announced September 25. Mr. Murphy has been in Federal work for 32 years, more than 28 of which have been with the Department of Agriculture. From 1911 until 1921, he served with the Solicitor's office of the Department. In 1921, he was named first assistant to the officer in charge of the Grain Division, and was placed in charge of the Division this year, following the death of E. C. Parker on July 21.

The reorganization also involves the establishment of a new project for the purpose of carrying on research in the field of seed marketing as conducted in cooperation with several Bureaus of the Department interested in the improvement of seed and of seed-marketing practices. W. A. Wheeler, formerly in charge of the Hay, Feed and Seed Division, will take over the new project and will be attached directly to the office of the Chief. He also will continue as chairman of the Departmental Forage Committee, and as a member of the Department Committee on Seed Policy.

W. A. Davidson, who has been acting in charge of the Enforcement of the Federal Seed Act, will continue to head that activity within the new Division.

E. O. Pollock, formerly engaged in hay standardization, inspection, and extension work in the Department, and formerly attached to the Federal Surplus Commodities Corporation in connection with its wheat export program, has been transferred to the new Grain and Seed Division to act as first assistant to the officer in charge.

COLD STORAGE REPORTING IS EXPANDED

.By William Broxton

During the twenty-odd years that cold storage statistics have been collected, the reports have covered stocks on hand the first of each month, and biennial surveys of the capacity of warehouses. Plans are now being made to publish a monthly report, beginning January 1, 1940, which will indicate the percentage of the available refrigerated space that is occupied.

Information on warehouse occupancy is of value to the refrigerated warehouse industry and to the general public in that it will show to what extent existing facilities are adequate or inadequate to preserve perishable agricultural commodities. The new survey will make it possible to evaluate the economic distribution of refrigerated warehouses, or, in other words, to indicate to what extent the industry has over-built or under-built in any particular area. The various studies of the data collected by this survey, in addition to contributing new knowledge of agricultural marketing factors, will be of incalculable value in case of national emergency.

"Public" Warehouses to Report

The new report will not represent a complete enumeration, as is the case with the monthly report of cold storage holdings; it will be restricted to "public warehouses." There is a reason for this. Public warehouses endeavor to keep operating at full capacity at all times, and they accept practically all perishable commodities for storage. A large number of the so-called "private warehouses", on the other hand, are operated only on a seasonal basis for one or two commodities, such as apples or pears. To include such warehouses in a space occupancy report would tend to distort the true situation.

Public warehouses are distributed in all areas of the United States. They are found in terminal cities, at interior distributing points, and in some cases, in producing areas. If a representative number of space-occupancy reports can be obtained from this group of plants in the various areas, the sample should indicate accurately the percentage of available space occupied from month to month. By comparison of one area with another over periods of time, the strategic distribution of existing cold storage warehouses can be ascertained and the economic soundness of the future development of the warehousing industry determined.

Duplication of Reporting Eliminated in New York State

For many years, warehousemen in the State of New York have been required by State law to make monthly reports of cold storage holdings to the State Department of Agriculture and Markets. In addition, they have cooperated voluntarily with the Agricultural Marketing Service in furnishing a somewhat similar report. There was sufficient lack of uniformity in the two questionnaires to make the work of reporting somewhat of a burden on the reporting concerns. To eliminate this duplication, arrangements have been completed between the Agricultural Marketing Service

and the New York State Department of Agriculture and Markets for a consolidated cold storage reporting questionnaire. The new plan is expected to be put in operation January 1, 1940. Parallel conditions exist in several of the States, and it is hoped that similar adjustments can be made in the near future.

(EDITOR'S NOTE: Mr. Broxton is associate marketing specialist for the Agricultural Marketing Service. For almost 18 years he has been responsible for the collection of statistics pertaining to refrigerated warehouses.)

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TENDERNESS OF MEAT AND FAT CLOSELY RELATED

Consumers who ask for very lean meat because they look upon fat as waste are overlooking the fact that fat and tenderness are closely related, according to Professor Sleeter Bull, of the University of Illinois. Meat must contain a certain quantity of fat on the exterior surface in order to prevent it from drying out during cooking. Some of this fat will melt and soak into the lean, making the lean richer and juicier.

"Marbling" is a highly desirable quality, the Professor explains. Marbling refers to the streaks of fat deposited in the connective or binding tissue which holds the meat fibers together. Gristle is pure connective tissue, and connective tissue makes meat tough. When fat is stored in the cells, they are inflated to several times their normal size. The cell wall is stretched thinner and becomes much more tender. Marbled meat is tender meat, and the presence of marbling enriches the meat juices.

Beef should be bright pink to bright red, Professor Bull points out. Pork and lamb should be a pale pink. As the animal becomes older, the lean meat becomes darker. His suggestion is to buy meat bright in color, and to be sure to obtain meat from a young animal.

The color of the fat on the cut of meat is another indication of quality. Preference is given to fat which is white or a creamy white rather than yellow. The color of the fat is largely a matter of breeding and feeding. Some dairy cattle produce a very yellow fat. Cattle of beef breeding that have been fattened on grain usually produce a white or creamy white fat. Extensive pasture feeding usually produces a yellow fat. Since grain feeding is necessary to produce high quality beef, a yellow fat indicates that the animal may have had too much pasture and not enough grain.

"Homemakers who are afraid to trust their judgment on selection of high quality meat should look for the United States Government graded cuts," he suggested. "The meat must come up to certain standards before it can carry the Government grade stamp."

GOVERNMENT GRADED BUTTER PROVIDES

GREATER ASSURANCE OF QUALITY TO CONSUMERS By Roy C. Potts

In the present Government butter grading program, the U. S. butter grades range from 85 score to 93 score. But only the two top grades--92 score and 93 score butter -- are certified for consumer packaging. With each pound of Government graded butter is included a certificate showing the grade at the time it was graded or packed.

Butter is graded by highly trained specialists. Very slight gradations in quality, which might never be detected by the average consumer, are instantly apparent to the trained butter grader. Since a large quantity of ungraded butter is sold at a price equal to that of Government graded butter, it is important that the consumer have some assurance that he is getting the quality he pays for.

Does the certificate of quality included in each pound of Government graded butter provide the consumer with assurance that he is obtaining a higher-quality product? This question is answered by the results of a survey which investigated the quality of selected brands of butter sold at retail in one-pound cartons in New York and Chicago. The survey compared the quality of Government graded and non-Government graded butter.

This is what the report says: "A consumer who buys butter that carries a certificate of quality (U.S.92 or U.S.93 score) issued by authority of the United States Department of Agriculture is likely to get a product of higher quality than would be borne out by the results of this survey which shows, that although a great deal of butter that is sold without quality certificates is just as good as the butter that bears the certificate, a great deal is sold that could not meet the high quality standards required in order to obtain the certificate. Therefore, if a butter of high quality is wanted (by the consumer) the safest procedure is to look for the Government certificate of quality when making purchases of butter."

In the conduct of this study a representative of the United States Department of Agriculture bought a pound of butter at a retail store as any housewife might buy the same butter. Both Government graded and non-Government graded butter were purchased. The butter was taken to the office where all identifying marks were removed and each was given a definite number. The butter was graded by three official butter graders. Each graded the butter independently and their results of grading were taken as their grade of the butter.

The following tables show the quality of the butter at time of purchase in the retail store:

Table 1.-Butter Purchased in New York Retail Stores

Class	Quality Score								
	: 93 :	92 :	91 :	90 :	89 :	88 :	87 :	86 :	No grade
	Pounds								
Gov't. Graded	: 56	35	4	2	--	--	--	--	--
Not Gov. Gra'd	: 21	40	32	24	9	4	--	--	2
Total	: 77	75	36	26	9	4	--	--	2

Table 2.-Butter Purchased in Chicago Retail Stores

Class	Quality Score								
	93	92	91	90	89	88	87	86	No grade
	Pounds								
Gov't Graded	15	38	15	6	4	--	--	--	--
Not Gov. Gra'd	17	48	42	41	18	12	2	2	4
Total	32	86	57	47	22	12	2	2	4

This study definitely indicates that the consumer has a better chance of obtaining a high quality product if Government graded butter is purchased. Of the Government graded butter purchased in New York City retail stores, 94 percent maintain the quality certified at the time it was first graded or packaged. Only 46 percent of the non-Government graded butter met the 93 and 92 score standard of quality.

The Chicago survey shows similar results. Approximately 68 percent of the Government graded butter maintained the Government quality standards. But of the non-Government graded butter, only 35 percent met the high quality standards required to get the certificate.

The tables show that while some of the samples of Government graded butter had deteriorated in quality below 92 score, none had fallen below 89 score. Even more important, it will be noted that in both cities the consumers' chances of getting the best quality were almost doubled by buying Government graded butter.

(EDITOR'S NOTE: Mr. Potts is in charge of the Division of Dairy and Poultry Products of the Agricultural Marketing Service.)

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Results of several tests show in a preliminary way that "our present method of buying hogs does not take care of enough of the variations and values of different lots of hogs," according to Geoffrey Shepherd and Fred J. Beard of the Iowa Agricultural Experiment Station. "Selling Hogs on Carcass Grades" is the title of an article by these two men appearing in the October issue of the Iowa Farm Economist. Also in this issue is a second article in a series on Iowa farmer cooperatives. The first dealt with their importance; the second concerns livestock cooperatives.

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The ANNUAL REPORT ON TOBACCO STATISTICS, 1939 is now available for distribution. This is the fourth of the series of annual reports on tobacco statistics authorized and requested by Congress in 1935. The report, issued by the Agricultural Marketing Service, presents a comprehensive coverage of tobacco statistics with tables based on data gathered and compiled from official sources both in this country and abroad.

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1940 AGRICULTURAL OUTLOOK

Resumé of Reports Issued by the Bureau of Agricultural Economics
and the Agricultural Marketing Service

An increased demand for farm products is expected next year, largely because of prospective increases in domestic activity and consumer incomes. The war in Europe has been partly responsible for the sharp increase in industrial production in the last part of 1939, and has improved business prospects for 1940. The 1940 outlook is based upon the assumption that the war will continue for at least a year.

Export demand for a few farm products and some industrial commodities to the belligerent nations will be increased, and a part of the neutral nations' purchases of manufactured goods will be diverted to this country because their usual sources of supply will be cut off. These effects may be rather slow in developing, but the net effects of the war influences is expected to be favorable to domestic business. Cash income from the sale of farm products is expected to be materially higher than in 1939, but may not reach the 1937 level. A slightly larger total volume of marketings will be disposed of at higher prices. Government payments to farmers may be about as high as in 1939. These are a few of the things the Department of Agriculture expects to happen next year.

The 1940 outlook reports are prepared jointly by the Agricultural Marketing Service and the Bureau of Agricultural Economics. The basic material has been assembled and organized during the past 2 months by the two Bureaus, assisted by specialists of other agencies of the Department of Agriculture. The reports were analyzed and completed the week of October 30-November 4 in cooperation with representatives of the State Agricultural Colleges and of other Government agencies. The reports indicate, so far as can be determined at this time, the probable trends of agriculture in 1940.

Agricultural Credit Situation Favorable

The volume of short-term credit used by farmers for all purposes is expected to be 5 or 10 percent larger than that used last year. And ample short-term credit will be available to farmers of good credit standing, for commercial banks, production credit associations, and other agencies can easily expand their loans. Funds available for making rehabilitation and emergency loans, however, will be slightly smaller than last year. Applications for rural electrification loans are now exceeding available funds, but credit for other cooperative purposes appears to be ample.

The volume of farm-mortgage financing is expected to be somewhat higher than in 1939. The volume of refinancing is not expected to decrease appreciably, and new financing is expected in connection with land transfers, farm-equipment purchases, and farm improvements. No great change is expected in the volume of outstanding farm-mortgage debt. Ample mortgage credit will continue to be available in 1940 on favorable terms.

Production Costs Slightly Higher

The per-unit cost of commodities and services used in the production of farm products probably will average a little higher than in 1939.

Some rise in wage rates is expected, and prices of most commodities used in farm production probably will average a little higher. Most increases are likely to be small, but war requirements may cause sharply higher prices for a few commodities. Prices of commodities and services may not increase as much in 1940 as they did from 1914 to 1915 when the combined index number of prices paid by farmers for commodities used in production, and of farm wage rates, advanced 4 points.

Total farm employment probably will decline further next year, but greater use of mechanized equipment will enable farmers to maintain production at current levels. Higher prices for farm machinery and building materials are expected. Prices of most fertilizer materials probably will rise a little. No substantial increase in prices of potash salts is expected, as only a small proportion is supplied by nations now at war. Prices of most seeds may be a little higher. Little change in feed prices from current levels is expected in view of ample supplies.

Farm Family Living To Improve

Farm families probably will have higher net incomes than they had in 1939. Total receipts from marketings of farm products are expected to increase, reflecting the improvement in industrial activity and in consumer incomes. Farm production expenses will rise too, but less rapidly than gross receipts. Income from Government payments probably will be about the same as in 1939, but nonfarm earnings of family members may increase with greater opportunities for employment.

In a year of rising costs of living, farm families as a group may feel the pinch less than city families. Costs of producing food for household use increase less than retail food prices. Most farm families can offset the rise in the general retail price level, in part, by producing a larger-than-usual share of their total food supplies. Per capita supplies of most foods available for domestic consumption are well in line with those of recent years.

Large World Supplies of Wheat

The acreage seeded to wheat for harvest in 1940 probably will be about the same as was seeded in 1939. Conditions for seeding and starting wheat have been unfavorable over practically all of the winter wheat area. Even though higher wheat prices followed the declaration of war in Europe, it appeared that farmers generally had not planned extensive increases in seedings in the important winter wheat States.

No marked reduction in wheat acreage in Europe is expected for the 1940 crop. Decreases in the acreage seeded in the areas of military operations are likely to be at least partly offset by increases in neutral countries and in the United Kingdom. World acreage in 1940 is not likely to be greatly different from the acreage this year. Average yields on this acreage would again result in a crop almost equal to prospective world consumption, and this would not substantially reduce the large world carry-over stocks.

But unless world wheat acreage is reduced or yields per acre are small, large world supplies will continue during the 1940-41 season, and any improvement in world wheat prices will depend upon improvement in demand or a rise in the world price level. Wheat prices in the United States are expected to continue to average relatively high compared with prices in other surplus-producing countries so long as the Government loan and export subsidy programs continue and world prices remain low. The large quantity of wheat being placed under Government loan is operating to support domestic prices.

Cotton Supplies May Decline

The World supply of all growths of cotton in 1940-41 is expected to be somewhat smaller than the record, or near-record, supplies of roughly 50 million bales in each of the past 3 seasons. World mill consumption is expected to be equal, approximately, to the 1939-40 world crop, now estimated at about 28 million bales. This indicates a carry-over of all growths of cotton, on August 1, 1940, not materially different from the near-record stocks of 21,900,000 bales at the beginning of the current season. With the same harvested acreage as in 1939, and with yields equal to the 1934-38 average, the production of American cotton would be considerably smaller than in 1939. The foreign crop is expected to show some decline.

The cotton situation this year is complicated by the European war, with the resulting uncertainties as to its duration, its effects on international trade, and on cotton consumption. In the event of an early peace the cotton outlook would be changed materially.

No Material Increase in Feed Grain Acreage Expected

Supplies of both forage crops and feed grains in the United States are again above average and, except in limited areas, are more than ample to meet livestock requirements. But excluding the quantity of corn now under seal because of Government loans, the remaining supply is only about average in total quantity and in pounds per unit of livestock to be fed.

No material increase in the acreage of feed grains over the low acreage of the last 3 years is expected, and growing conditions about equal to the average during either the last 3 years or the last 50 years would result in a production about equal to the tonnage produced in 1939. Conditions about the same as the average for 1930-39 would reduce production somewhere between 10 and 15 percent below the production of this year.

Livestock numbers are expected to show an increase of about 7 percent during 1939 and some further increases in 1940. Unless grain yields per acre are unusually high, it seems probable that supplies of feed grain per animal unit will be somewhat further reduced next season, and the livestock-feed price ratio is not expected to be so favorable for livestock producers as it has been for the past 2 years. But there appears to be a general tendency for farmers to increase production of hay along with increases in feeding requirements, and the 1939 hay supply per animal is large.

Feed grain prices during the winter and spring months are expected to average a little higher than a year earlier, but conditions which would cause a substantial advance from present levels are not expected. Exports

of feed grain are expected to be relatively small. Exports of livestock products are expected to show some increase in 1940, but are not likely to be large enough to have any material effect on the livestock situation in this country.

Number of Horses Continues to Decline

A further decrease in the number of horses on farms is indicated for 1940. Increase in tractor competition, declining prices for horses, inroads of disease in some sections, and a decreased colt crop in 1938 are factors behind the forecast. The length of time this trend will continue depends largely upon the trend in colt production during the next few years. The number of workstock on farms has decreased steadily since 1913, being 10,800,000 horses and 4,382,000 mules on January 1, 1939.

Larger Crop of Hogs Expected

The effects of the improvement in domestic and foreign demand on hog prices probably will be offset largely, if not wholly, by the increase in the supplies of hogs for slaughter. Present indications point to lower hog prices than a year earlier in the first half of the 1939-40 marketing year, and higher than a year earlier in the last half of the year.

In view of abundant feed supplies and the prospects for a hog-corn ratio about average, or somewhat above average, a further increase in the number of pigs raised is expected in 1940. There is little likelihood, however, that the increase in the pig crop in 1940 will be as large as that which occurred in 1939. The considerable part of the 1939-40 corn supply held under loan, or held by the Government, will be an important factor tending to prevent a large increase in production.

Beef Cattle Slaughter Probably Smaller

Total slaughter of cattle and calves is expected to be somewhat smaller than in 1939. Steer slaughter probably will show little change. But marketings of breeding stock in the Western States, where cattle numbers have been sharply curtailed since 1934, are expected to be reduced if feed crop and range conditions are near average next year.

Cattle numbers are expected to be about 2 million head larger on January 1, 1940, than a year earlier. Most of the increase during 1939 has taken place in Minnesota, Iowa, and Missouri, and in States east of the Mississippi River. In the latter area, cattle numbers in early 1940 will be the largest of record.

Cattle prices may average slightly higher in 1940 than in 1939, since the domestic demand for meats is expected to be stronger and the total live weight of cattle marketed probably will be slightly less than in 1939. Relatively high prices for hides also will be a factor tending to support cattle prices. On the other hand, total meat supplies in 1940 will be larger than in 1939 chiefly because of the increase in prospective hog marketings. With relatively large supplies of fed cattle and some reduction in marketings of cows and heifers, the spread between the prices of the upper and lower grades of slaughter cattle probably will continue to be comparatively narrow in 1940.

Sheep, Lambs, and Wool Outlook

The number of stock sheep on farms and ranches at the beginning of 1940 probably will not be much different from the number at the beginning of 1939. The trend in sheep numbers during the next few years may be moderately upward, especially if range conditions in the western sheep States are favorable. In the native sheep States and in Texas, the number of stock sheep on January 1, 1940, is expected to be the largest for recent years, and some further increase in these two regions may occur after 1939.

Prices of lambs in the 1939-40 fed-lamb marketing season (December-April) may average higher than in the 1938-39 season. Slaughter supplies of lambs in the 1939-40 season (December-April) are expected to be somewhat larger than in 1938-39. But the effects of the increase in supplies upon prices will be offset, or more than offset, by improvement in consumer demand for meats and higher prices for wool obtained from slaughter lambs.

Wool prices have risen nearly 50 percent since August, and it is possible that much of the influence of the stronger domestic and foreign demand already has been reflected in wool prices. Changes in wool prices during the coming year will depend to some extent upon prices fixed by the British Government for Empire wools and upon the quantity of such wools released for export to neutral countries.

Larger Meat Slaughter

Livestock slaughter, and meat and lard production will be larger than in 1939; an increase of 8 or 9 percent in the total dressed weight of livestock slaughtered under Federal inspection seems probable. The increase in 1940 over 1939 will be mostly in pork and lard, as little change is expected in the production of beef and lamb. Total meat production has been increasing since 1937 resulting chiefly from the severe droughts of 1934 and 1936. Per capita production of federally inspected meats and lard in 1940 will be larger than in any recent year and may be about equal to the 1929-33 average.

Effects of the expected increase in consumer demand upon the general level of livestock prices will be offset largely by the prospective increase in slaughter supplies. The increase in slaughter supplies of hogs will have an important influence upon prices of both cattle and hogs. The expansion in domestic consumer demand will be a much stronger price supporting factor than the increase in foreign demand.

More Dairy Cows

Increases in the number of milk cows in the next 2 years are expected to be more rapid than in the past 2 years. The number of young stock on farms is more than enough to provide for normal replacements to dairy herds in 1940 and 1941. Upward tendencies in dairy-cow numbers seem to be most marked in the northeastern and Lake State dairy regions, the Corn Belt, and the Cotton Belt. For the next few years the northern dairy regions may be expected to show the greatest increase. Over a longer period the Corn Belt and the Cotton Belt are likely to assume greater importance.

During the 1939-40 winter feeding season, milk production is expected to be about as large as the heavy winter production a year earlier. With increases in the number of cows, it is likely that the trend in milk production will be gradually upward, as long as feed supplies per animal unit are relatively high. Feed supplies per unit for the 1939-40 feeding season are somewhat smaller than a year ago, but they are decidedly above average.

Some increase in consumption of fluid milk and cream is expected, with the improvement in business. Total production of manufactured dairy products for the coming year is likely to continue high, but may show little change from 1938 or 1939. Total supplies of dairy products available for consumption during the coming winter will be considerably smaller than a year earlier because of smaller stocks on hand. Supplies in the hands of the trade may be larger, but holdings by Government agencies are decidedly smaller.

With the improvement in business and the general rise in commodity prices, dairy markets have strengthened. The reduction in stocks of dairy products has also helped the prices of dairy products. Further improvement in the dairy situation will depend primarily on further improvement in business and commodity prices generally.

Large Tobacco Stocks a Depressing Factor

Flue-cured and Burley type tobacco production in 1939, will result in burdensome stocks in 1940. These types usually comprise more than 75 percent of the total production. But a production-control program in 1940 will go a long way toward connecting the unbalanced situation in flue-cured tobacco. For most other types the 1939 production is fairly well in line with the prospective disappearance in 1939-40, and stocks a year hence are not expected to be excessive in relation to consumption.

With improving business conditions and increasing employment the domestic consumption of cigarettes and cigars will probably continue to increase. Little change in the total consumption of other products is anticipated. The consumption of smoking tobacco and snuff has increased recently but the consumption of chewing tobacco continues to decline.

Although the foreign-demand prospects for the 1939-40 marketing season are subject to radical changes owing to the number of uncertainties involved, the outlook at present is for substantially reduced exports. The European war is disrupting channels of trade and is delaying the export movement; it has already brought about restrictions in the use of foreign exchange and sharply increased freight and insurance rates. The trade with neutral European countries may also be adversely affected by the high cost of shipping and disruption of trade. During the past 2 years the countries that are now at war accounted for about three-fourths of our total tobacco to Europe.

Total Egg Production Expected to be Larger

The feed-egg ratio is expected to continue less favorable from the poultry producers' viewpoint than last year, and possibly less favorable than the 1928-37 average. Hatchings during 1940, as a result, may be

somewhat smaller than the large hatch of 1939. But laying flocks are expected to be somewhat larger than in 1939, and total egg production and egg marketings are expected to be slightly larger in 1939. Egg prices probably may remain less favorable than a year earlier for the remainder of 1939 because of larger storage holdings and some increase in current production. The effect of larger consumer income on prices during 1940 as compared with a year earlier is expected to more than offset the effect of any probable increase in production unless winter weather conditions are unusually mild.

Marketings of poultry meat in the first half of 1940 are expected to be larger than in 1939 because of the heavy hatch of both chickens and turkeys. Poultry marketings in the last half of 1940, however, may be smaller because of the smaller hatch expected in 1940. Fall and winter broiler production is expected to be somewhat larger than last year's record high production unless relative feed costs increase considerably. If production increases, the situation is likely to be less favorable for producers than in 1939. Storage stocks of poultry meat in early 1940 is expected to be larger than in 1939. The into-storage movement in late 1940 may be smaller than in 1939 because of smaller marketings.

Prices of chickens are expected to be less favorable in the winter of 1939-40 than a year earlier because of greatly increased marketings. In the spring of 1940, the effect of increased consumer incomes on prices may offset the effect of the expected larger marketings as compared with a year earlier. The expected decrease in marketings in the latter half of 1940 will tend to increase prices as compared with 1939. Cash farm income from poultry and eggs in 1940 is expected to be larger than in 1939 because of improved consumer demand. Feed costs, however, will be higher.

Turkey production in 1940 is expected to be somewhat smaller than the record crop of 1939, which was 22 percent above last year, and 15 percent above the previous record high production in 1936.

Trend of Citrus Fruit Production Upward

An increased consumer demand for fruits will mean an increase in the domestic outlet for the large supplies available from the 1939 harvests. But large supplies of fruits also are available this year in the major importing countries. This fact, along with war conditions in Europe, is expected to offset largely the favorable factor of increased consumer buying power in the United States.

During the next 5 years significant increases are expected in the production of grapefruit, oranges, and lemons. Moderate increases are anticipated for peaches, pears, and cherries, and grape production probably will increase slightly. The trend in apple production is expected to continue downward at a moderate rate. Dried prune production probably will decrease moderately during the next few years. No significant changes are likely to occur in the average production of other fruits.

Fruit prices in general have been at relatively low levels for several years, and it is apparent that as supplies continue to increase it will be increasingly difficult to dispose of fruit supplies at reasonable returns to

growers unless there is a marked improvement in the level of consumer purchasing power.

Production of Vegetables May Be Larger

Production of all commercial truck crops for fresh-market shipment in 1940 probably will be slightly larger than the record large supply produced in 1939. Improvement in demand conditions in 1940 over 1939, however, probably will result in slightly higher prices of these crops as a group and a larger total cash income to producers.

The total acreage planted to these crops probably will be increased slightly, and will continue the upward trend that has been in progress during the past 2 decades. Largely as a result of higher prices received in 1939, larger acreages are expected for snap beans, beets, cabbage, cantaloups, carrots, cauliflower, celery, cucumbers, eggplant, peppers, tomatoes, and watermelons. On the other hand, decreases are expected in the acreage of lima beans, lettuce, and green peas. The onion acreage will probably be about the same.

A Larger Acreage for Canning Crops Expected

Total supplies of processed vegetables available for consumption during the 1939-40 season are considerably smaller than the unusually large supplies of the last two seasons, but current wholesale prices show appreciable improvement over those of a year ago. If prices at which canners offer to contract acreage maintain their usual relationship to wholesale prices of the canned products during December and January, and if the present trend of such prices continues into those months, it is probable that the contract prices received by growers for their 1940 acreage will be generally above those of 1939.

Even though consumption of canned and frozen vegetables during 1939-40 is no greater than average, the stocks in the hands of canners and processors at the beginning of the 1940-41 season will be appreciably below average. Consequently, substantial increases in the acreage of most truck crops for manufacture in 1940 will be required to cover average consumption requirements in 1940-41 and provide average carry-overs. For the 4 major crops, green peas, snap beans, sweet corn, and tomatoes, increases in acreage of 28, 12, 50, and 28 percent respectively, should provide a tonnage sufficient for this purpose under average growing conditions.

VEGETABLE GROWERS MEET

IN CHICAGO DECEMBER 4-7

Vegetable growers will hold a four-day conference at Chicago, December 4 to 7, when Illinois and Cook County vegetable growers act as joint hosts to the Vegetable Growers Association of America. Subjects to be discussed will include factors which influence the quality of vegetables, nutritional value of vegetables, vegetable marketings, horticultural equipment, vegetable hybrids, trade barriers and agreements, and vegetable culture.

MARKETING OFFICIALS STUDY SITES FOR PHILADELPHIA PRODUCE MARKET

Representatives from the State Colleges of Agriculture in Pennsylvania and New Jersey, and from the U. S. Department of Agriculture, have recently completed a study of various sites for a central wholesale produce market in Philadelphia. The study was undertaken at the request of the Philadelphia Market Improvement Committee, a group of growers, distributors, and consumers.

As the Nation's third largest city, Philadelphia consumes the equivalent of 75,000 carloads of produce annually. Fruits and vegetables are received here from 35 to 40 States, and from several foreign countries. Ten years ago modern railroad market facilities were opened in Philadelphia, and they functioned satisfactorily, but the tremendous increase in motortruck shipments has greatly complicated the problems of distribution. The Market Improvement Committee has approved the idea of a central wholesale produce market which would bring together all receipts, regardless of the method of transportation. Only this point of view has been considered. The problem now is to select a suitable site.

In studying the factors affecting the choice of a site for the new market, the Dock Street market area, the Callowhill Street section, and the Railroad Terminal area were selected for consideration because of their location, and because a part of each is now in the present market setup. It was found that any of the three sites considered offered real possibilities for a central market from the standpoint of transportation.

The statements in the report of this study are of a factual nature. No recommendations are made, the final selection of a site being left with those groups properly interested and concerned. The report considers the time distance to retail stores, accessibility to main highways and city arteries, a study of land costs, and provisions for future expansion. Sketches have been made of complete facilities that might be constructed at each of the 3 areas. The estimated costs for a complete market are presented in detail for the 3 sites under consideration, the necessary rentals for amortizing the costs, and the report contains some recommendations as to management.

Copies of the report, in mimeographed form, may be obtained by writing to the Director of Extension, Pennsylvania State College, State College, Pennsylvania; to the Director of Extension, Rutgers University, New Brunswick, N. J.; or to the Bureau of Agricultural Economics, U. S. Department of Agriculture, Washington, D. C.

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The staple length of upland cotton ginned prior to November 1 continued to average a little shorter than the staple length of ginnings last year, but there was no appreciable change in grade.

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TOBACCO GRADING DEMONSTRATIONS SCHEDULED IN NORTH CAROLINA

A series of Burley tobacco grading demonstrations, starting October 30 in Ashe and Alleghany counties, have been scheduled for 17 western North Carolina counties. The demonstrations will be held under the sponsorship of farm agents, and with the cooperation of the United States Department of Agriculture and the North Carolina State Department of Agriculture. L. T. Weeks, tobacco specialist of the Extension Service; W. S. Colvert of the Agricultural Marketing Service; and W. P. Hedrick of the State Department of Agriculture will conduct the schools.

The Tobacco Inspection Act provides for the demonstration of tobacco grades to farmers and others, the object being to promote better preparation of tobacco for market. The activities under this project are conducted mainly by meetings of tobacco inspectors with small groups of growers. Actual demonstrations point out the factors of quality in tobacco and the principles that should be followed in sorting the crop into different grades as a preliminary to tying in bundles for market. The Tobacco Inspection Act is administered by the Agricultural Marketing Service.

Additional activities under this project relate to short courses in instruction held for vocational teachers and county agents, and somewhat longer courses of instruction held at State agricultural colleges for advanced students. Such courses have been attended not only by students, but by tobacco growers and their tenants, by warehousemen, and tobacco buyers. The number of individuals reached by these means has increased rapidly and during the fiscal year 1938-39 exceeded 62,000.

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FIRST EGG AUCTION IN ILLINOIS OPENS

First of its kind in the State, an egg auction of approximately 9,000 dozen eggs will be held at Yorkville, Illinois, November 16, under auspices of the newly organized Yorkville Poultry and Egg Auction, it has been announced by H. H. Alp, poultry extension specialist of the University of Illinois College of Agriculture. Thereafter, regular auctions will be held weekly.

Because of the simplicity of the plan, the producer gets a larger share of the price paid for the eggs than under any other form of egg cooperative. Usually the prices paid producers are as high as can be obtained under other marketing methods. Consumers are insured eggs of unquestionable quality, while buyers for restaurants, hotels, and other outlets can supply their needs without having to cover large areas of country territory in search of eggs.

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Production of sorgo ("cane") seed in 1939 is expected to be smaller than a year ago. The decrease is due to drought in the main producing areas.

TOBACCO GROWERS VOTE FOR MANDATORY INSPECTION AT 4 MORE AUCTION MARKETS

Four more tobacco auction markets have been added to those designated for mandatory Federal inspection of tobacco offered for sale on auction markets. Following an almost unanimous majority vote of growers, the fire-cured tobacco market at Paris, Tennessee, and the Burley tobacco markets at Lebanon, Kentucky, and at Columbia and Mount Pleasant, Tennessee, were added to the growing list of tobacco markets provided with this service. The order of the Secretary of Agriculture, issued on November 7, makes a total of 42 markets designated under the authority of the Tobacco Inspection Act of 1935 administered by the Agricultural Marketing Service.

Referendums held at the 4 markets recently designated showed growers to be almost unanimously in favor of mandatory inspection. To secure the inspection service two-thirds of the growers concerned must concur in the plan.

The increasing demand for tobacco inspection is attributed by Charles E. Gage, head of the Tobacco Division of the Agricultural Marketing Service, to be a better understanding on the part of growers of the benefits that may be obtained. These benefits center around the fact that, without any cost to the grower, a certificate of grade is placed on the tobacco, and this certificate gives the grower a concrete measure of the quality of his tobacco according to Federal standards grade. The inspection service, coupled with daily price reports, enables the grower to check up on the sale of each lot of his tobacco and thereby improve his bargaining position.

About 200,000 growers in 8 of the Southern States are being served this season by the tobacco inspection service. Over 450 million pounds of tobacco will be inspected and certified as to grade during the current season, which represents the inspection of about 4 million lots or baskets. In addition to tobacco inspected on the auction sales floors, it is probable about 30 million pounds will be inspected for packing in hogsheads. Inspections on nondesignated markets for market news purposes and voluntary inspection in the cigar wrapper district of Connecticut and Massachusetts will bring the total inspected close to 500 million pounds.

From the permanent market news offices at Louisville, Kentucky, and Raleigh, North Carolina, and the temporary offices established at Douglas, Georgia, and Florence, North Carolina, approximately 500,000 daily and weekly price reports will be distributed to growers during the current season.

Various Tobacco Markets Share Benefits

Of the 42 markets that have been designated under the authority of the Act, 12 are flue-cured tobacco markets; 5 in North Carolina, 3 in Georgia, 3 in South Carolina, and 1 in Virginia. Thirteen are fire-cured tobacco markets: 5 in Virginia, 5 in Kentucky, 3 in Tennessee. Fifteen are Burley tobacco markets: 9 in Kentucky, 3 in Tennessee, 1 in Ohio, 1 in West Virginia, and 1 in Virginia. Two are dark air-cured tobacco markets, both in Kentucky.

The flue-cured markets of Georgia and Florida (Type 14) opened on July 25 and were closed by August 25. The flue-cured markets of South Carolina and the border of North Carolina (Type 13) opened on August 3 and a few of these markets are still open but will close within a short time. The Eastern North Carolina flue-cured markets opened August 23 and will probably close shortly after Thanksgiving. Opening of the Old Belt and Middle Belt markets of North Carolina and Virginia was delayed until October 10 because of the marketing holiday called on account of the withdrawal of British buyers from the markets. These markets will probably remain open until sometime in January.

A corps of about 100 trained tobacco inspectors and market news men will begin their work with the opening of the Burley, dark air-cured, and fire-cured markets during the next few weeks.

The Virginia fire-cured markets will open November 27 and sales will probably continue through February. The fire-cured market at Madisonville, Kentucky (Type 24) will open about the first of December. The other fire-cured markets in Kentucky and Tennessee will probably not open until around the first of January. The dark air-cured markets at Henderson and Owensboro, Kentucky, will open November 28 and the Burley markets will open November 4.

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CONFERENCES ON PROPOSED REGULATIONS UNDER NEW SEED ACT WELL-ATTENDED

Conferences held in San Francisco and Kansas City on November 1 and November 6 to consider proposed regulations under the new Federal Seed Act were well attended, the Agricultural Marketing Service states. Further conferences with representatives of hybrid seed corn producers were held in Chicago on November 8.

Growers, official agencies, and dealers in seeds had given careful consideration to the proposed regulations and submitted concrete proposals for consideration by the Department. With the benefit of these suggestions the Agricultural Marketing Service will have revised wording of the proposed regulations under the Act ready for consideration at the formal hearing scheduled to be held in Room 2862, South Building, U. S. Department of Agriculture, Washington, D. C., at 9:30 a.m., Monday, November 27.

Comments or suggestions that cannot be made or presented in person may be transmitted by mail addressed to the Chief of the Agricultural Marketing Service, U. S. Department of Agriculture, Washington, D. C., and will be considered if received on or before November 27.

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